

**Supplemental Reporting Document
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March 2009 Investment Committee Meeting
(January 2009 Reporting Period)**

Quarterly Reports

Securities Lending Earnings

Supplemental Income Plans

Internally Managed Domestic Equity Index Fund (No items to report)

Member Home Loan Program



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March 16, 2009

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Securities Lending Earnings
(Quarter Ended December 31, 2008)
- II. PROGRAM:** Securities Lending
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

Earnings for the quarter ended December 31, 2008, are presented to the Investment Committee for information.

	Average Lendable Assets (\$000)	Average % on Loan	Earnings (Annualized)	Income to CalPERS (\$000)
Asset Class Earnings				
Global Equities	\$56,284,600	28%	36 bp	\$49,970
Global Fixed Income	\$30,965,060	60%	53 bp	\$39,697
Totals	\$ 87,249,660			\$89,668
Unrealized loss on internal collateral reinvestment				(\$1,071,722) *
Total Program Earnings including unrealized loss				(\$982,054)

*Unrealized losses resulted from CalPERS use of mark-to-market accounting on the valuation of the internal cash pool, which is not market convention on collateral reinvestment pools.

Policy Violations:

eSecLending violated the policy during the fourth quarter of the calendar year when five names in the external cash reinvestment portfolio were downgraded:

- Student Loan ABS of National Collegiate Student Loan violated the policy requirement of a minimum Asset Backed Security rating of Aaa/AAA/AAA when it was downgraded to AA by Fitch;
- Auto Receivable ABS of Americredit Auto Receivables violated the policy requirement of a minimum Asset Backed Security rating of Aaa/AAA/AAA when it was downgraded to Aa3 by Moody's;
- Corporate Floating Rate Notes of Meridian Funding violated the policy requirement of a minimum Floating and Variable Rate Security rating of A1/A+/A+ when it was downgraded to Baa1 by Moody's;
- Corporate Notes of Citigroup and American Express violated the policy requirement of a minimum Corporate Note rating of A1/A+/A+ when Citigroup was downgraded to A2 by Moody's and when American Express was downgraded to A by S&P;

Staff has reviewed the holdings above and concluded that holding to maturity would maximize the value of both positions.

Additionally, eSecLending violated Policy requirements on repurchase counterparty diversification and minimum liquid balances. In both instances, market volatility was the cause of the Policy breach and both violations were cured within the reporting period.

Carry Over Violations:

Three ABS securities and four Corporate Notes purchased and held externally violated the policy requirement when they were previously downgraded by Moody's and S&P. Staff is working with the manager to maximize value on these holdings and will update the Board accordingly.

V. STRATEGIC PLAN:

This program contributes to the achievement of Goal VIII of the Strategic Plan by providing low risk incremental returns to the Fund.

VI. RESULTS/COSTS:

The securities lending program generated approximately \$90 million of revenue for the quarter ended December 31, 2008, which is offset by an unrealized loss of \$ (1,071) million. The average market value of securities on loan for the quarter was \$34 billion.

Mike Johnson
Investment Officer

Daniel E. Kiefer
Portfolio Manager

Arnold B. Phillips
Senior Portfolio Manager

Curtis D. Ishii
Senior Investment Officer

Joseph A. Dear
Chief Investment Officer



Investment Office

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March 16, 2009

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Quarterly Statistics
- II. PROGRAM:** Supplemental Income Plans Division
- III. RECOMMENDATION:** Information only

IV. ANALYSIS:

Background

The Supplemental Income Plans (SIP) offers three supplemental retirement income plans as complements to the CalPERS pension plan.

The **CalPERS 457 Plan** is a deferred compensation plan offered to local public agencies and school districts. As this is an employer sponsored plan, employers must adopt the Plan prior to their employees participating. This plan accepts employer and employee tax-deferred contributions.

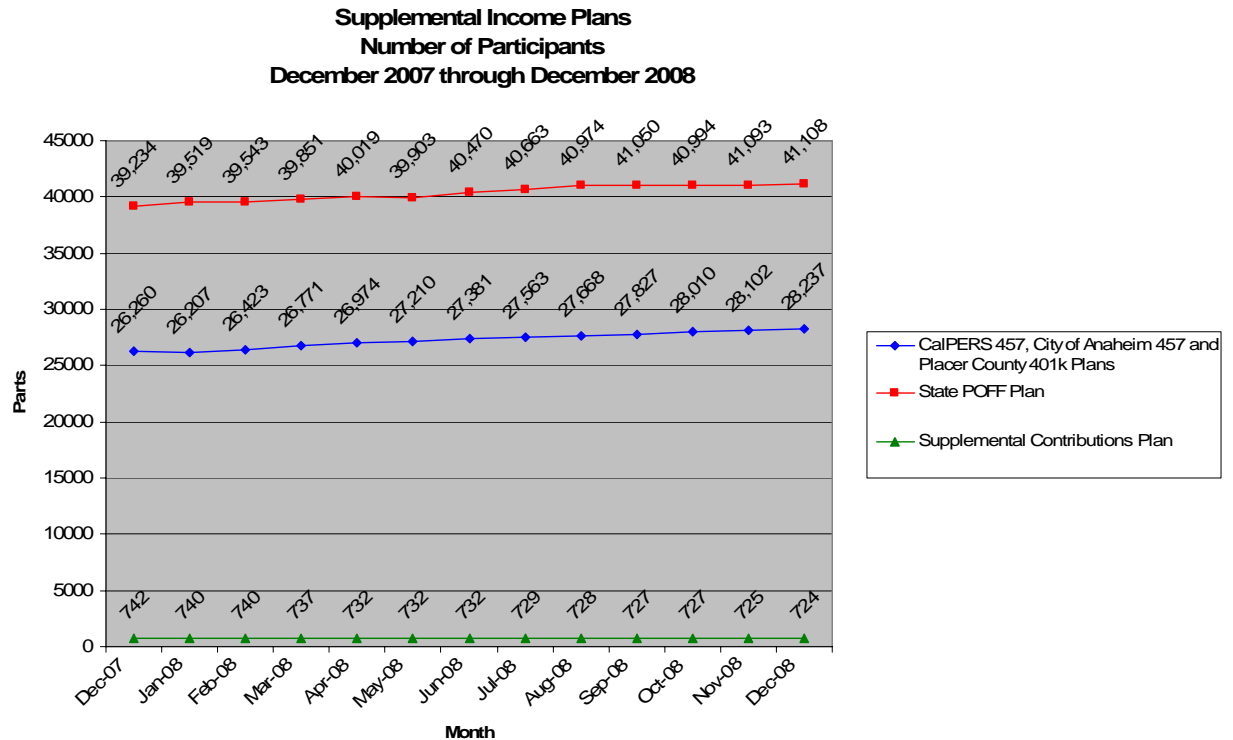
The **CalPERS Supplemental Contributions Plan (SCP)** is an after-tax contributions plan where earnings accrue tax-deferred. To date, this Plan is offered to State employees only and accepts employee contributions only.

The **CalPERS Peace Officers and Fire Fighters Plan (POFF)** is offered to State Department of Corrections employees. For eligible employee groups, the State currently calculates and contributes 2 percent of the employees' salary into the Plan. This is an employer sponsored benefit only. There are no employee contributions allowed.

Activity & Performance

Participants

The graph below summarizes the number of total participants in the Supplemental Income Plans from December 2007 through December 2008.

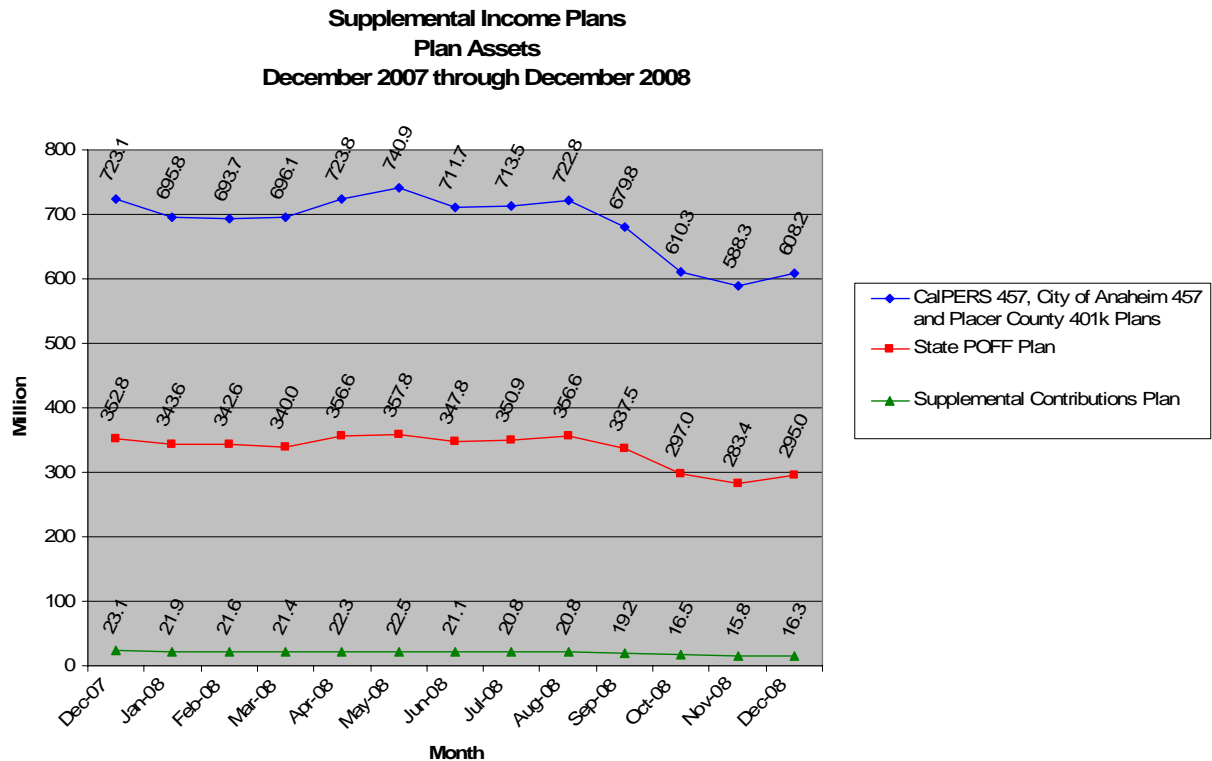


For the quarter ending December 31st, 2008:

- The CalPERS 457 Plan participant enrollment increased from 27,827 to 28,237 for a net increase of 410 participants.
- The POFF Plan participants increased by 58 for a total of 41,108.
- The Supplemental Contributions Plan participants decreased by 3 for a total of 724.

Assets

The graph below summarizes the assets in the Supplemental Income Plans from December 2007 through December 2008.



For the quarter ending December 31st, 2008:

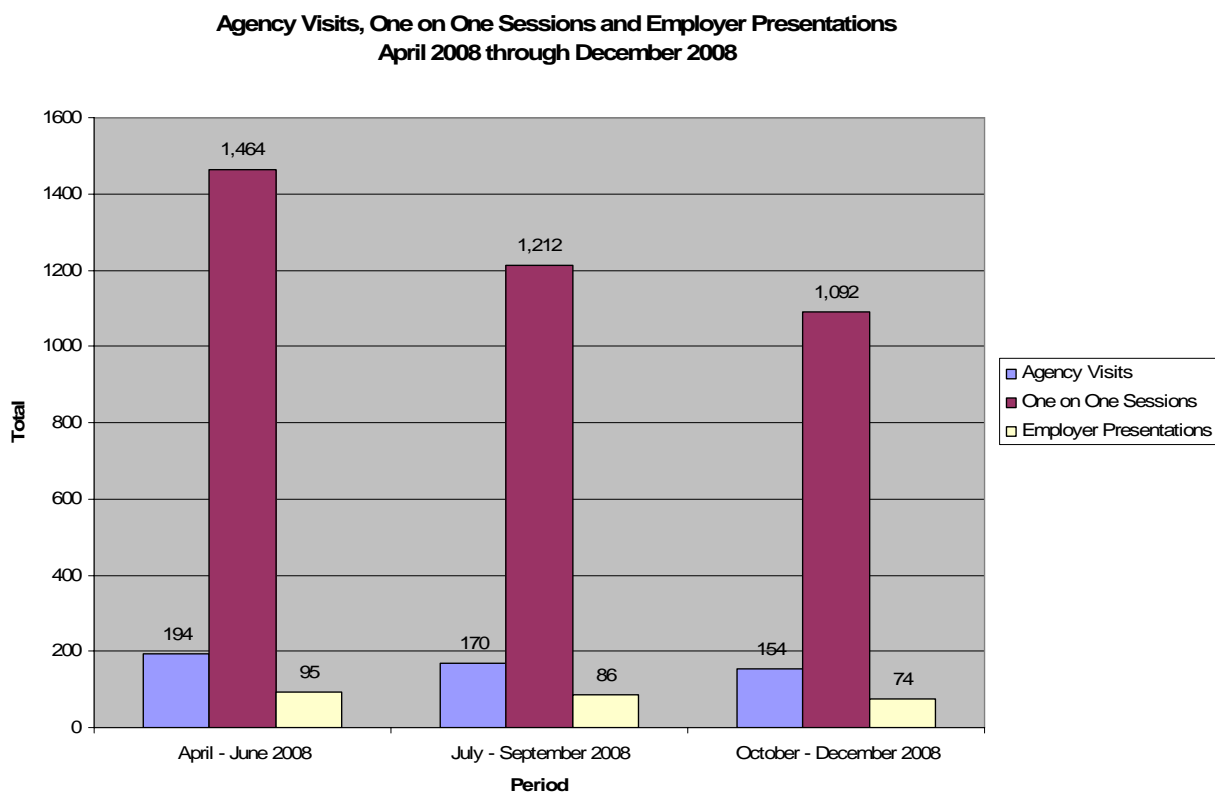
- The CalPERS 457 Plan experienced a \$71.6 million or -10.5% net decrease in assets for a total of \$608.2 million.
- The POFF Plan assets decreased -12.6% from \$337.5 million to \$295.0 million.
- Supplemental Contributions Plan assets decreased -14.9% from \$19.2 million to \$16.3 million.

Education & Outreach

The CalPERS 457 Plan Account Managers provide education to contracting employers and conduct onsite on-on-one appointments with current participants and new enrollees. For the quarter ending December 31st, 2008, the Account Managers made 154 employer visits and conducted 1,092 one-on-one sessions.

The Plans' Account Managers also provide education seminars and presentations at agency benefit fairs and CalPERS Retirement Planning Fairs exhibits and workshops. For the quarter ending December 31st, 2008, the Account Managers performed 74 presentations reaching out to nearly 1,600 current and potential Plan participants.

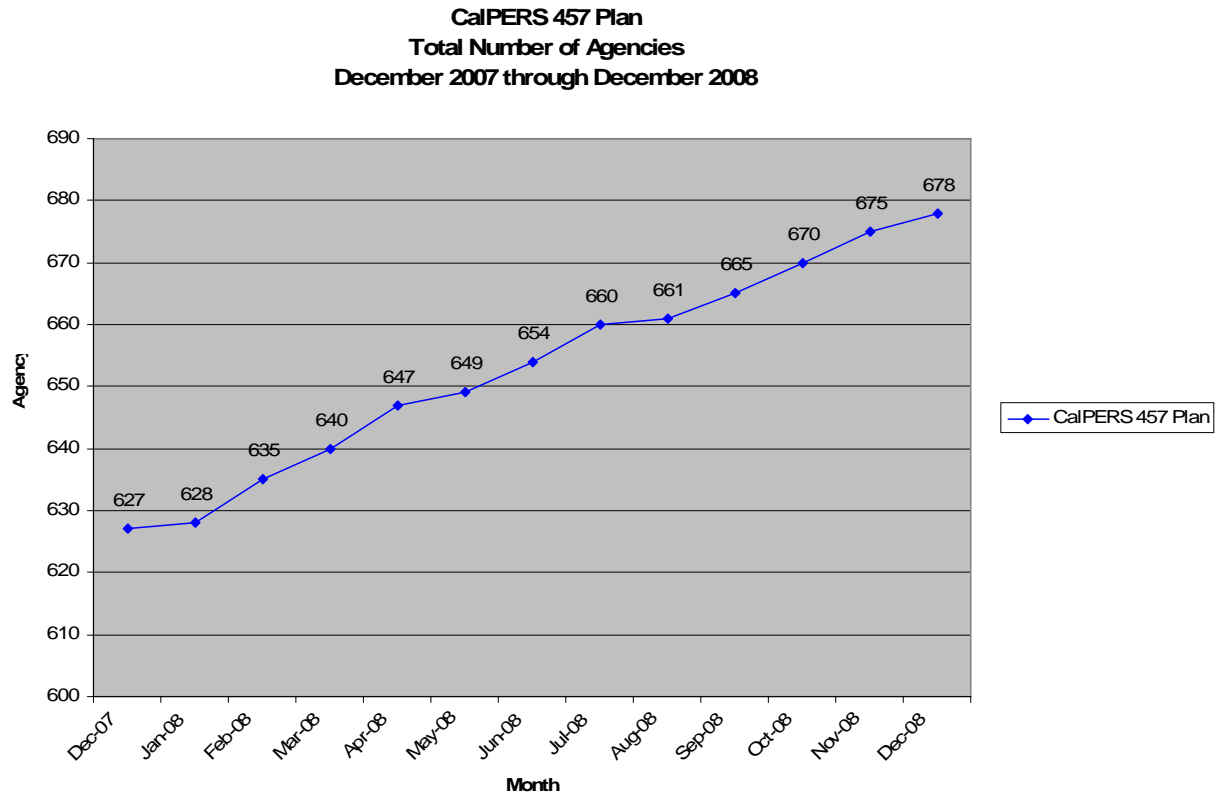
The graph below presents the number of agency visits, one-on-one sessions and employer presentations from April 2008 through December 2008.



For the quarter ending December 31st, 2008, CalPERS Supplemental Income Plans staff also attended the Association of California Water Agencies (ACWA) Conference from December 2 through December 3, 2008 to inform current and prospective agencies of the Plan's benefits.

Contracting Agencies

The graph below presents the total number of agencies that contract with the CalPERS 457 Plan from December 2007 through December 2008.



For the quarter ending December 31st, 2008, 13 new agencies adopted the CalPERS 457 Plan for a total of 678 contracting agencies.

V. STRATEGIC PLAN:

This agenda's initiatives address multiple CalPERS Strategic Plan Goals including:

- Goal (VI) to Administer pension benefit services in a customer oriented and cost effective manner;
- Goal (VII) to Enable and educate members and employers to make informed decisions leading to a predictable and secure retirement futures; and
- Goal (IX) to Achieve long-term, sustainable, risk adjusted returns.

VI. RESULTS/COSTS:

The SIP is a self sustaining program funded by participant fees. This is an informational item and no costs are associated with this item.

Geraldine Jimenez, CFA
Division Chief
Supplemental Income Plans

Kenneth W. Marzion
Interim Chief Operating Investment Officer

Joseph A. Dear
Chief Investment Officer



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March 16, 2009

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** Member Home Loan Quarterly Performance Report
- II. PROGRAM:** Member Home Loan Program (MHLP)
- III. RECOMMENDATION:** Information only
- IV. ANALYSIS:**

For the quarter ended December 31, 2008, the CalPERS Member Home Loan Program purchased approximately \$417.9 million of FNMA and GNMA securities. This represents a \$159.3 million increase in these mortgage-backed securities purchased from the previous quarter total of \$258.6 million.

During the same period, the CalPERS Member Home Loan Program also purchased \$69.5 million of whole (jumbo) loans. This represents a \$25.9 million increase of whole loans purchased from the previous quarter total of \$43.6 million.

For the 12 month period ending December 31, 2008, the Member Home Loan Program purchased approximately 4,467 real estate loans totaling \$1.2 billion.

V. STRATEGIC PLAN:

This item is consistent with Goal V: Provide sustainable pension benefit products and services responsive to and valued by members, employers and stakeholders.

VI. RESULTS/COSTS:

There are no costs associated with reporting this item.

Mark A. Yelavich
Investment Officer

Daniel E. Kiefer
Opportunistic Portfolio Manager

Arnold B. Phillips
Senior Portfolio Manager

Curtis D. Ishii
Senior Investment Officer

Joseph A. Dear
Chief Investment Officer



CalPERS Member Home Loan Program

Quarterly Update Report as of December 31, 2008

Presented by:

CitiMortgage

Manager of
CalPERS Member Home Loan Program
("MHLP")

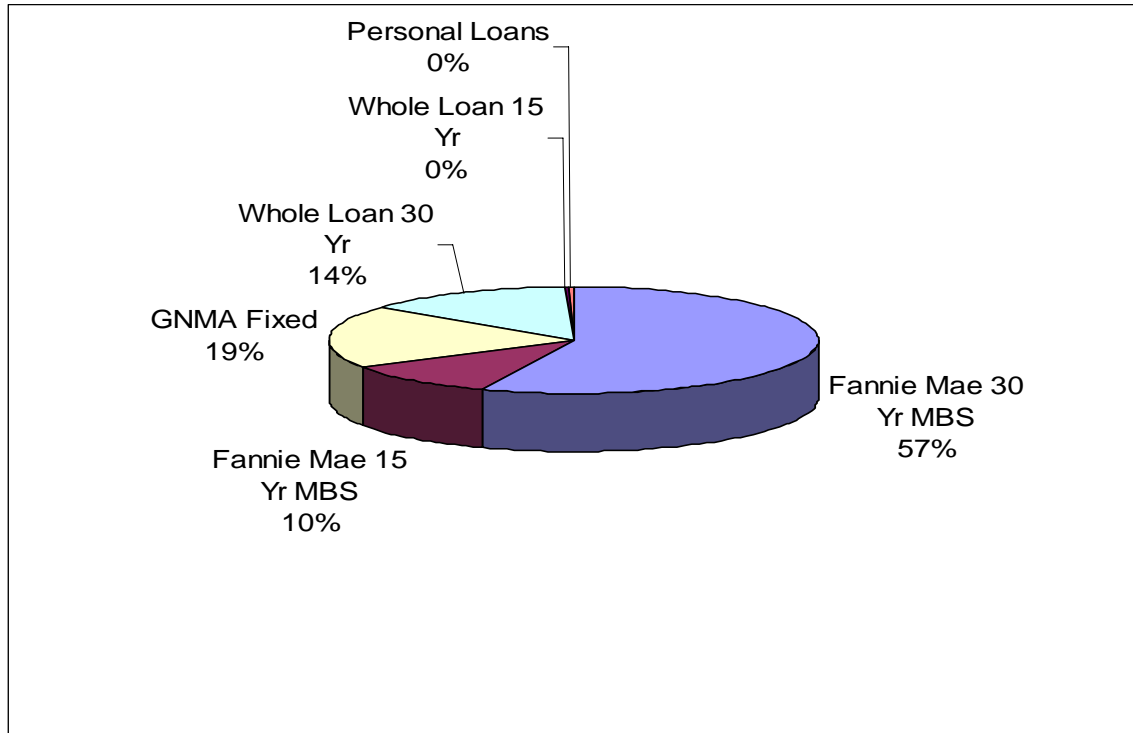


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Quarterly Purchases

CalPERS Purchases Quarter Ending 12/31/08



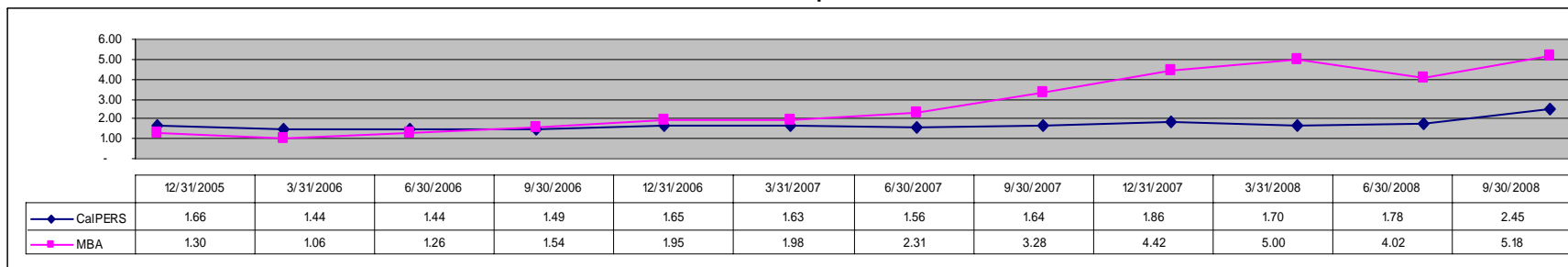
INVESTMENT TYPES	LOANS	AMOUNT PURCHASED	Weighted Avg. Coupon	Weighted Avg. Maturity (Mos.)
Fannie Mae Mortgage-Backed Securities				
15 Year	246	\$49,665,415	4.48%	175.1
30 Year	1,081	\$274,114,398	5.21%	355.6
ARM (all conforming)	0	\$0	0.00%	
GNMA Mortgage-Backed Securities				
Fixed	381	\$94,143,895	5.56%	358.1
Variable	0	\$0	0.00%	0.0
Whole Loans				
15 Year	10	\$1,893,527	5.76%	165.7
30 Year (including ARM's)	160	\$67,642,970	6.28%	339.6
Subtotal	1,878	\$487,460,205	5.35%	334.7
Personal Whole Loans	107	\$848,206	8.86%	136.3
GRAND TOTAL	1,985	\$488,308,411	5.36%	334.4

FEES CHARGED ON SECURITIZED LOANS:

Fannie Mae MBS – Servicing Fees of 25 basis points
 GNMA MBS – Servicing Fees of 19/44 basis points + 6 basis points of Guaranty Fee
 Whole Loans -- Servicing Fees of 25 basis points on Fixed and 37.5 basis points on ARM

Prime Conforming Loan Delinquency Comparison

Fannie Mae Mortgage Backed Securities Vs. Mortgage Bankers Association ("MBA") % of Delinquent Loans



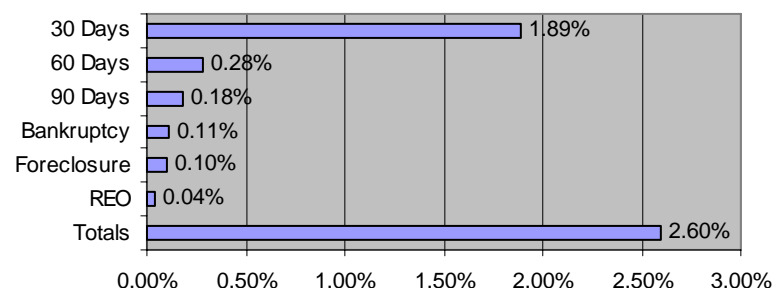
CalPERS Fannie Mae MBS Delinquency

Numbers for Qtr Ending 9/30/08

	# Loans	% Delinquent	UPB (\$)	% Delinquent
30 Days	473	1.89%	\$ 70,821,509	1.87%
60 Days	70	0.28%	\$ 12,902,856	0.34%
90 Days	45	0.18%	\$ 9,355,405	0.25%
Bankruptcy	28	0.11%	\$ 5,682,414	0.15%
Foreclosure	25	0.10%	\$ 4,545,931	0.12%
REO	11	0.04%	\$ 2,272,966	0.06%
Totals	652	2.60%	\$ 105,581,081	2.79%
Less BK & REO	613	2.45%	\$ 97,625,701	2.58%

Total Portfolio 27,606 \$4,566,785,290

CalPERS Fannie Mae MBS -- % OF LOANS DELINQUENT QTR ENDING 9/30/08



Source of MBA % of delinquent loans is National Delinquency Survey , California prime.

Since MBA does not report on REO, MHLP percentage will not reflect REO.

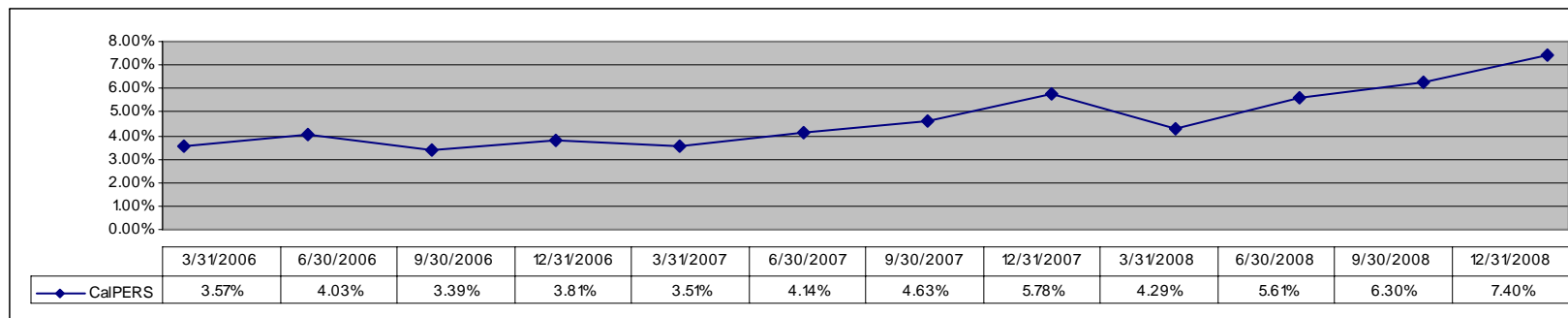
Delinquent loans are those that are 30, 60, 90, and Foreclosures.

Total Portfolio reflects all outstanding loans originated through the program, regardless of MHLP ownership.

For all graphs above, percentages are based on loan count.

Personal Loan Delinquency Report

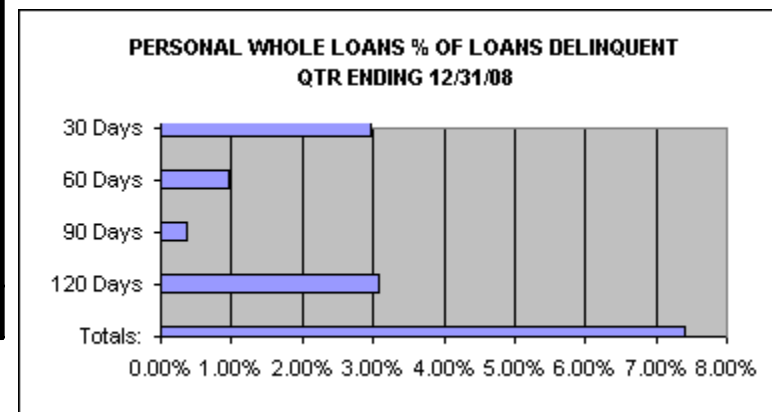
% LOANS DELINQUENT FOR QUARTER ENDING 12/30/08



PERSONAL LOAN DELINQUENCY NUMBERS

QTR ENDING 12/31/08

	# Loans	% Delinquent	UPB (\$)	% Delinquent
30 Days	55	2.97%	\$ 306,970	2.65%
60 Days	18	0.97%	\$ 127,214	1.10%
90 Days	7	0.38%	\$ 45,755	0.39%
120 Days	57	3.08%	\$ 343,425	2.96%
Total Delinquent	137	7.40%	\$ 823,364	7.10%
Total Portfolio	1,852		\$ 11,596,160	



For all graphs above, percentage are based on loan count.

Personal Loans that have been purchased by CalPERS (program to date):

Number of Loans: 20,061

Total: \$148,850,079

Personal Loans that have been called into default (program to date):

Number of Loans: 582

Total: \$2,666,539



Participating Lender List

Quarter Ending 12/31/08

LENDER NAME	# BRANCHES	WHOLESALE LENDER
ALTURA CREDIT UNION	1	
BROADVIEW MORTGAGE CORPORATION	11	X
CHERRY CREEK MORTGAGE CO., INC.	1	
COUNTRYWIDE BANK FSB	145	
EAGLE HOME MORTGAGE LLC F/K/A EAGLE HOME MORTGAGE	9	
EASTLAND FINANCIAL CORPORATION	1	
EVERGREEN MONEYSOURCE MORTGAGE COMPANY	2	
FIRST CALIFORNIA MORTGAGE COMPANY	1	X
FIRST MORTGAGE CORPORATION	27	X
GATEWAY BUSINESS BANK	22	
GOLDEN EMPIRE MORTGAGE, INC.	22	
GUILD MORTGAGE COMPANY	23	X
IMORTGAGE.COM, INC	1	
LAND HOME FINANCIAL SERVICES INC.	6	
MASON-MCDUFFIE MORTGAGE CORPORATION	5	
METLIFE HOME LOANS	2	
MOUNTAIN WEST FINANCIAL, INC.	3	X
NCMC A SUBSIDIARY OF NATIONAL CITY BANK OF INDIANA	22	X
NL INC.	19	
PLATINUM HOME MORTGAGE CORPORATION	12	
SHEA MORTGAGE INC.	2	
SIERRA PACIFIC HOME LOANS	8	X
SIERRA PACIFIC MORTGAGE COMPANY	12	X
STEARNS LENDING, INC	3	X
THE GOLDEN 1 CREDIT UNION	1	
THE MORTGAGE HOUSE, INC.	9	
UNIVERSAL AMERICAN MORTGAGE COMPANY, LLC (MIAMI)	15	
VITEK	2	
WALLICK AND VOLK INC	1	
WELLS FARGO BANK, NATIONAL ASSOCIATION	130	
TOTAL NUMBER OF BRANCHES/WHOLESALE LENDERS:	518	9

TOTAL NUMBER OF PARTICIPATING LENDERS: 30